



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

October 8, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Subject: **MOTION ON IHSS - CIVIL GRAND JURY RECOMMENDATION
(ITEM NO. 21, OF SEPTEMBER 2, 2008)**

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Pursuant to the September 2, 2008, Board Motion, I am reporting back on three issues concerning the In-Home Supportive Services Program (IHSS) in the Department of Public Social Services (DPSS).

1. A full review of the Advance Payee program.

Typically, IHSS provider payments are paid directly to the providers after services are provided. State regulation allows IHSS consumers who are severely impaired to be eligible for advance pay, which issues a payment to the consumer at the beginning of each service month, thereby allowing the consumer to pay their provider at the time services are provided. Although there are currently only 160 advance payee cases out of the total 174,000 consumers, we will be pursuing legislative action to terminate this option.

2. Exploration of innovative technology strategies that would streamline the paper-based timesheet payment system.

DPSS has explored technological solutions for improvements to the IHSS paper-based timesheet payment system. DPSS intends to implement a document scanning solution to enhance timesheet storage and retrieval.

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Each Supervisor
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We believe this solution will provide a significant workload reduction, as well as operational efficiencies. A new and enhanced Case Management Information and Payrolling System (CMIPS II) is currently in development at the State, and will replace the current CMIPS legacy system which is scheduled for implementation in Los Angeles County in January 2011. At that time, timesheet processing will be centralized at the State level eliminating the current requirement of manually processing 300,000 timesheets per month. In the interim, DPSS has reassigned data entry clerks to augment processing efficiencies.

3. Convening of a special workgroup, to include the State Department of Social Services, State Department of Health Care Services, the Social Security Administration and the District Attorney, to discuss and make recommendations on strategies to mitigate potential fraud in the IHSS program; and to address any pertinent changes in State regulations to facilitate this.

On August 26, 2008, DPSS hosted the first multi-agency "IHSS Fraud Roundtable" with representatives from California Department of Social Services, California Department of Health Care Services, Social Security Administration, Department of Justice, and the District Attorney. The purpose of the meeting was to bring together all of the principal agencies that interface with IHSS to dialogue strategies and best practices to deter and detect fraud and to develop concrete "action items." Twenty-nine recommendations were produced from this collaborative effort, as well as a commitment to meet quarterly to pursue implementation and or legislative/statutory remedies.

Operationally, DPSS has taken the following steps to improve IHSS program integrity:

1. Reinforced the centralized fraud referral process;
2. Published additional guidelines to IHSS staff on fraud referral procedures; and
3. Implemented a monthly fraud referral reconciliation report with the State.

The attached fact sheet was discussed with your deputies on October 8, 2008.

I will provide you with the first quarterly report in January 2009.

WTF:SRH:MS
GP:JB:cvb

c: Executive Officer, Board of Supervisors
County Counsel
Department of Public Social Services
Auditor-Controller

Attachment

Grand Jury – IHSS.doc



County of Los Angeles
Department of Public Social Services



PHILIP L. BROWNING
Director

SHERYL L. SPILLER
Chief Deputy

IHSS FRAUD

BACKGROUND

In early July 2008 the FY 2007-2008, Civil Grand Jury Report entitled, "In-Home Supportive Services Fraud: Problems and Opportunities" was released. The report made 16 recommendations which "could lead to better management of the IHSS Program"; particularly geared to the reduction of fraud.

On July 25, 2008, DPSS submitted to the CEO's Office a detailed response to each of the 16 Civil Grand Jury recommendations. While we did not agree with the vast majority of findings and recommendations, we did concur that a number of recommendations merited further review and evaluation. We also recognized the need to enlist the collective partnership of those agencies throughout the State and County who play a key role in this area.

IHSS FRAUD ARRESTS

On July 24, 2008, the District Attorney arrested 20 individuals suspected of IHSS fraud. The following represents the highlights of the arrests:

- Of the 20 cases, 18 were single cases and 2 were multiples.
- Of the 20 cases, 16 individuals were arrested and released on bail.
- Of the 20 cases, 12 fraud referrals had been initiated by IHSS Social Workers, 6 were referred by the Welfare Fraud section, 1 was referred by SSA and 1 was referred by CDHCS.
- The IHSS Provider was seen by the SW in 11 cases.
- Three cases were discovered through the Death Match.
- Total money loss \$2,061,000
IHSS loss \$843,000
Medi-Cal & SSA loss \$1,218,000
- Range of authorized provider service hours: 45 to 291 per month.
- Case Status:
10 cases were closed
6 cases were closed due to arrests
4 cases remain open and eligible

- The highest money loss case: \$417,513
- The lowest money loss case: \$3,885
- Recurring "fraud profiles":
 - 1) Providers had died and Consumers falsified timesheets and cashed the checks (3 cases).
 - 2) Consumer had died and Provider (daughter) "forgot" to tell us and cashed the checks (1 case).
 - 3) Consumers fabricated fictitious Providers (3) and Consumer and Provider were the same person.
 - 4) Consumer "created" bogus disability; schizophrenia.

CORRECTIVE ACTION STRATEGIES

On August 26, 2008, DPSS hosted the first multi-agency "IHSS Fraud Roundtable" with representatives from the DA, Social Security Administration, Department of Justice, California Department of Health Care Services (CDHCS) and the California Department of Social Services (CDSS). The purpose of the meeting was to bring together all of the agencies engaged in the area of IHSS fraud to dialogue strategies & best practices and to develop concrete proposed "action items".

This networking resulted in the development of 29 "action items" which have now been sent back to the participants to prioritize, designate lead agencies and stipulate as to "policy, statute or regulatory" requirement should they be adopted for consideration.

In the interim, DPSS had taken the following steps internally to strengthen our diligence in this area:

- Reinforced our centralized fraud referral process.
- Published additional guidelines to IHSS staff on fraud referral procedures.
- Implemented a monthly fraud referral reconciliation report (admin).
- Developing fraud enhancement training for all IHSS Social Workers.
- Committed to the continuation of the formal interagency network launched in August 2008.

IHSS FRAUD PREVENTION STRATEGIES

I. Strategies for Immediate Implementation

1. Schedule quarterly meetings with local, State and County departments engaged in IHSS efforts (CDHCS, CDSS, DOI, SSA, DA).

LEAD: DPSS

2. Provide more focus training to IHSS staff on fraud detection/high risk profiles.

LEAD: DPSS/State

3. Reissue policy instructions to IHSS staff regarding: non-response to letters by providers/consumers.

LEAD: DPSS

4. Centralize all DPSS employee/provider cases regionally.

LEAD: DPSS

5. Develop mechanism to share results of all IHSS fraud referrals with staff.

LEAD: DPSS

6. Develop specialized training for all IHSS Provider Clerks on timesheet irregularities/potential fraudulent behavior.

LEAD: DPSS

II. Strategies to Reduce Caseload Growth / Maximize Fraud Prevention / Detection

1. Amend IHSS State regulation to require all providers to be seen at the home by IHSS Social Workers at initial application and annual reassessment.

LEAD: DPSS/CDHCS

2. Develop interface between DPSS and Registrar-Recorder to generate "Death Match" reports for consumers/providers.

LEAD: DPSS/Registrar-Recorder

3. Seek State approval to investigate IHSS fraud locally by DA.

LEAD: DPSS/DA

4. Seek State legislation to eliminate Advance Payment cases.

LEAD: DPSS

5. Improve timely receipt of matching reports on data from skilled nursing facilities.

LEAD: DPSS/DHS

6. Seek regulatory change to require proof of identification and social security number for all consumers and providers.

LEAD: DPSS/CDHCS